

# SOCIAL HOUSING

*Current trends in the European context and its specific value for the inward urban development in Switzerland*



Real Corp 2018, 5th of April 2018, Vienna  
Roman Streit



Cooperative Housing in the Hunzikerareal, Zurich MEHR ALS WOHNEN (2018)

# Program

1. Housing challenges in Europe
2. Research questions and methodology of the study
3. Definition of social housing
4. The social housing sector in Europe – recent developments, market shares and allocation criteria with a special focus on Switzerland
5. The social housing sector in Switzerland & inward urban development
6. Discussion and conclusion

# 1. Housing challenges in Europe

- **Worsening** Housing affordability in Europe: EU households' expenditure shares used for housing has risen from 22 % (2000) to 25 % (2016)  
(EUROSTAT 2017a)
- **11 %** of EU households are **overburdened** by housing costs (household expenditure share > 40 % of disposable income) (EUROSTAT 2017b)
- **Lowest income** quintile: **Overburden rate** has risen from **34 to 36 %**
- Big **regional** differences: especially **cities and metropolitan regions** under pressure (HOUSING EUROPE 2017: 11)

## 2. Research questions and methodology of the study

### Research questions:

- How can the **Swiss social housing sector** be characterized within its **European context**?
- How can the Swiss social housing sector **contribute** to the national spatial strategy of **inward urban development**?
- What **success factors** can be identified in this regard in the city of **Zurich**?

**Methodology:** Literature study, statistical/GIS analysis, expert interviews

### 3. Definition of social housing

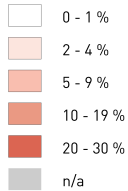
- Different possibilities to **define** social housing: **rent levels, ownership,** or the existence of a **government subsidy or allocation rules**
- *In this study:* Rent levels → **Social rents** (cost rents or lower/subsidized) as opposed to market rents
- **Social housing** and **non-profit housing** are treated as **synonyms** here
- But: Housing systems **differ** a lot across countries; **terms** are used differently (Switzerland: social housing (subsidized) ≠ non-profit housing)

## 4. The social housing sector in Europe –

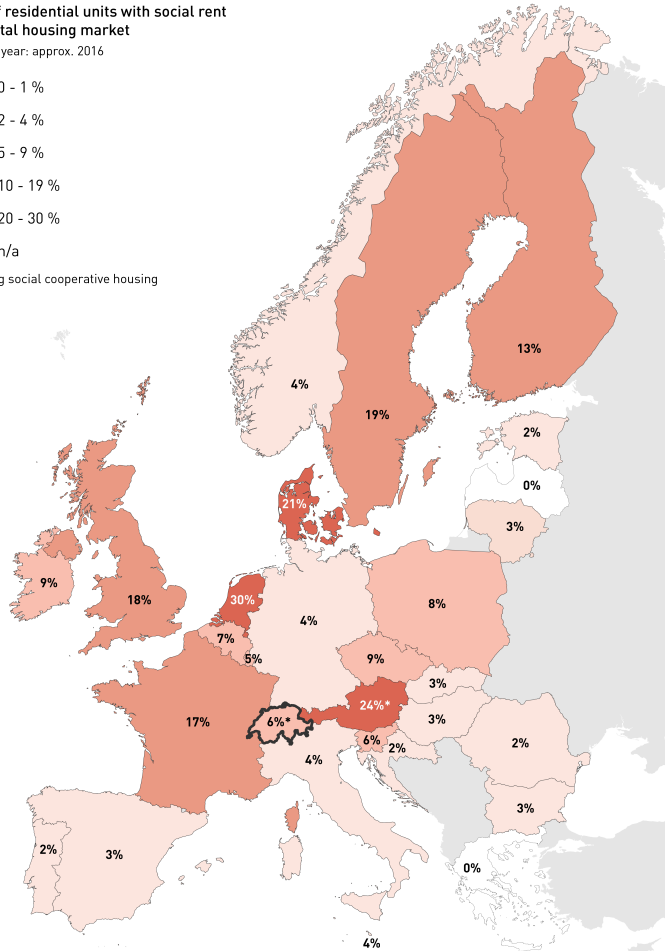
### Market shares, trends and allocation criteria

Share of residential units with social rent  
of the total housing market

reference year: approx. 2016



\* including social cooperative housing



## Market shares, ...

- 0 – 30 % of housing stock
- EU-28: 11 % of housing stock

(HOUSING EUROPE 2017)

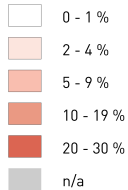
Market shares of social housing in  
Europe (approx. 2016).

Data source: HOUSING EUROPE (2017), WBG ZÜRICH (2015)

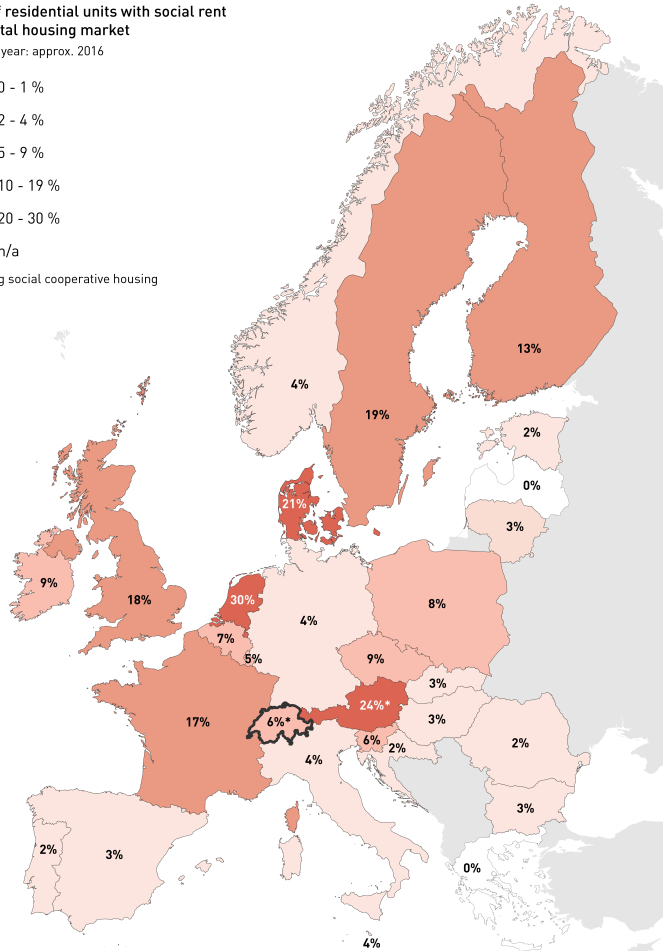


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## Market shares, ...

- 0 – 30 % of housing stock
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## ... trends, ...

- Declining market shares (SCANLON ET AL. 2014: 5)
- Residualization and targeting (POGGIO, WHITEHEAD 2017: 3)
- More demand side subsidies at the expense of *bricks and mortar* subsidies (NATIONAL HOUSING FEDERATION 2017:6)

## ... and allocation criteria

### Market shares and allocation criteria of social housing in Europe.

Source: based on CECODHAS (2007: 16), updated and complemented for Norway (SANDLIE, GULBRANDSEN 2017: 55), Croatia (HOUSING EUROPE 2017: 54) and Switzerland (WBG ZÜRICH 2015: 4, BWO et al. 2013: 1, BWO 2012: 4)

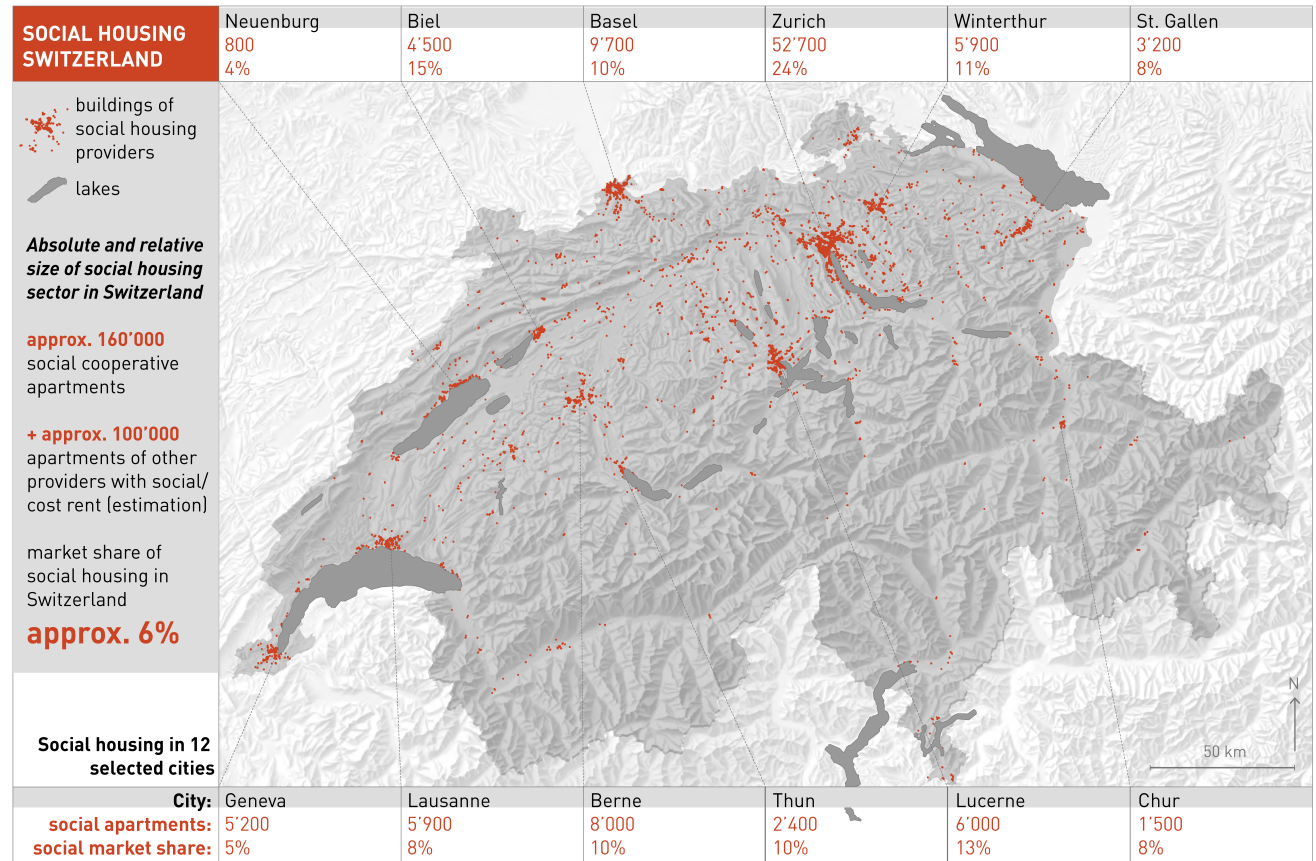
market share of housing with social rents	allocation criteria of housing with social rent		
	universalistic	targeted	
	all population groups	middle- and low-income people	most vulnerable
>= 20 %	Denmark The Netherlands	Austria	
11 - 19 %	Sweden	France Finland	France UK
5 - 10 %	<b>Switzerland</b>	<b>Switzerland</b> Belgium Luxemburg	Slovenia Poland Czech Republic <b>Switzerland</b> Belgium Ireland
0 - 4 %		Germany Norway Greece	Italy Croatia Germany Spain Latvia Norway Slovakia Lithuania Cyprus Bulgaria Estonia Portugal Hungary Romania Malta

# 5. The social housing sector in Switzerland –

## & inward urban development

Absolute and relative size of the social housing sector in Switzerland and selected cities.

Data source: BWO (2015), STADT ZÜRICH (2018) and LIECHTI (2015)

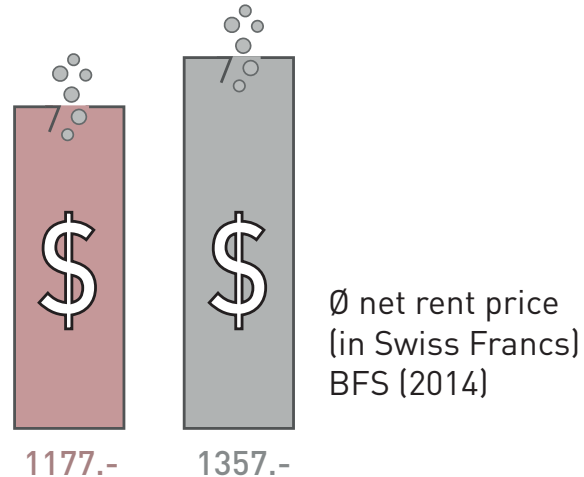


# Inward urban development in Switzerland

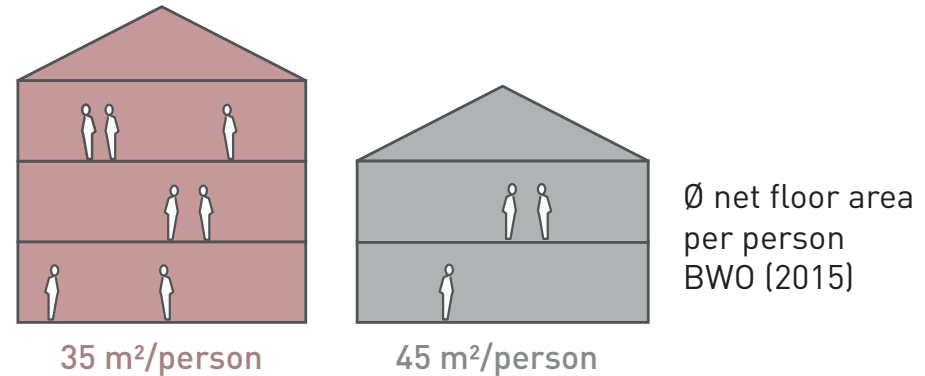
- Swiss Planning Law (*RPG*) aims at an economic land use by directing the future settlement development “inwards” and creating more compact cities and villages (SCHWEIZERISCHE EIDGENOSSENSCHAFT 2018)
- Population growth should be contained, in large parts, in the already built up areas. According to the *Spatial Concept of Switzerland*, particularly urban and suburban areas should cover the bulk of this growth (SCHWEIZERISCHER BUNDESRAT ET AL. 2012)

# Aspects of social housing and inward urban development:

## Rental prices & living space per person



Rents: **15-20 % lower**



Living space per person: **10 m² lower**

# The case of Zurich: **Urban quality & ecological construction**



Grünmatt, Zürich. Picture: Georg Aerni



Hunzikerareal, Zürich. Picture: Flurina Rothenberger

## The example of Zurich: **success factors**

- Close **long-term partnership** of non-profit housing actors and the city
- **Active land policy** of the city!
- Public-private-partnership through **support and demand** from the city (e.g. obligation for architectural competitions, high energy standards)
- **Acceptance** for higher density through quality and comparably low rents
- **Remaining challenges:** Urban density gaps („Parzellenurbanismus“), how to raise market shares, housing supply for lowest income people



## 6. Discussion ...

- Stronger targetting of the people most in need in social housing → **efficient allocation** vs. a promotion of **segregation/ghettoisation**?
- Right **balance** of demand and supply side subsidies?
- **Path dependancy** vs. **transferability**? → From Zurich to other cities in Switzerland? From Switzerland to other countries in Europe?
- Role/involvement of **profit-oriented housing providers** in the provision of affordable housing? **Cooperation** with non-profit providers?

## ... and conclusion

- Switzerland as **special case**: rather low share of social housing, but a universalistic allocation scheme for most social (cooperative) housing
- Social housing can play a **decisive role for inward urban development**  
→ economic land use, acceptance of densification (quality, low rents)
- Zurich: Social (cooperative) housing providers as promoters of **innovation** and **quality** in the inward urban development
- Importance of **bricks and mortar subsidies**: control of the city, quality, long-term affordability) → Has to be emphasized more clearly



Questions?

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